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C O N F I D E N T I A L PARIS 001716

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E.O. 19528: DECL: 12/08/19  
TAGS: [EPET](#) [ETTC](#) [ECON](#) [ENRG](#) [IR](#) [FR](#)  
SUBJECT: FRANCE QUERIES ON IRANIAN INVESTMENTS

Ref. A) NEA/IR email 09/09/2009; B) Paris 1671

Classified by Econ Counselor Bruce Levine for reasons 1.4 (B) and (D).

¶1. (C) Summary. French MFA official note increased activity in Iran's energy sector by Chinese and Indian companies but no new investments by French industrial firms. The MFA confirms that it has contacted Sofregaz, a wholly-owned subsidiary of the Italian company Maire Technimont, to discourage it from signing a contract with an Iranian partner for an LNG project. The MFA inquired, in turn, about 20 percent U.S.-owned Wellstream Holding, which wants a contract to provide oil production equipment, and UOP LLC, a wholly-owned subsidiary of Honeywell, which may provide consulting services on its petroleum refining technology to Iranian entities. The MFA reiterated its commitment to maintaining coordinated international pressure on Iran. End summary.

Investors in Iran: What's new?

¶2. (C) On December 8, EconOff met with MFA official, Vanessa Pouget, Economic Officer for Energy Affairs (Middle East), Directorate for Globalization, Development, and Partnership. She told us that since 2007, no new French investment activity has been reported. More broadly, Pouget observed that since last year Chinese and Indian companies have stepped up their investment activity in Iran's oil and gas sector. Brazil, Venezuela and Malaysia were also making their presence felt, Pouget noted. Russian companies are active in Iran, she added, but are less visible than their Chinese and Indian counterparts.

Sofregaz

¶2. (C) In response to the USG query on Sofregaz (Ref A), Pouget confirmed that Sofregaz is a wholly-owned subsidiary of Maire Tecnimont S.p.A., an Italian industrial group based in Milan. (Note: Sofregaz is a former subsidiary of Gaz de France. In 2000, Sofregaz became a subsidiary of Maire Tecnimont when the latter acquired a 66 percent interest. In 2005, Tecnimont increased its interest in Sofregaz to 100 percent. End note.) Pouget told us that she contacted Sofregaz and sent them "the right message" about pursuing deals or investment in Iran. She specified that Sofregaz denied press reports it had signed contracts for an LNG project. Any contract would be signed by the Italian parent company, Maire Tecnimont, according to Pouget's findings. Pouget mentioned that she was unable to obtain information on Maire Technimont's Iranian partner or on the project's timeline.

U.S. Interest in Wellstream Holding Plc.

¶3. (C) Pouget turned to Wellstream Holding Plc which she believes wants to provide equipment for oil production in Iran. (Note: Wellstream designs and manufactures pipeline products. End note.) Her point was that taken together, American companies Janus Capital Management LLC, William Blair Capital Management LLC and INVESCO Asset Management Ltd, have a twenty percent stake in Wellstream Holding Plc. Pouget asked if these companies are passive investors or have an impact on Wellstream management. Second, Pouget queried whether in this case the USG would contact the American investment

funds to send the "right message." The Wellstream contract for oil production equipment to Iran is reportedly worth USD 40 million, Pouget specified. France's objective, she stressed, was to prevent this contract from ever being finalized.

UOP LLC

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¶4. (C) Pouget asked if UOP is providing an Iranian company with consulting services for petroleum refining technology. The Iranians are rebuilding one of their refineries, she noted, and have a contract with UOP. The contract, which grants a license for UOP refining technology, is not recent, she recalled. Pouget was unable to provide the exact identity of the Iranian company with whom the contract is signed but believes the name resembles "APS Romain." She wants to know if the USG has information on whether UOP experts currently maintain relations with the Iranian company and provide follow-up consulting services on their technology.

Staying on Track with Measures

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¶9. (C) Pouget underscored that we are in a "crucial period" in which French and U.S. measures must be effectively and closely coordinated (Ref. B). She said France appreciates our collaboration and information on investment queries as it tracks and assesses the impact of stronger international efforts.

¶10. (U) Point of contact on these issues is Jennifer Mergy  
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